

That reason is that the banking business is quite better than the finance business.

Mr. Speaker, if people knew what goes on the banking system, they would be astounded. Mr. Speaker, many people and several members of parliament, especially opposite members believe that the government controls money in our country but they are wrong; the chartered banks, not the government, control money, the issue of money and credit in Canada. It is not the Minister of Finance (Mr. Macdonald) either who controls the issue of money and credit.

The finance minister and Cabinet members control the lives of citizens in many areas. They control subsidies, they encourage unemployment, they control inflation, they control the workers' salaries, they control some prices—they say. They fine companies which want to raise their employees, salaries, they control people through forms, through taxation, and they control Parliament today through Standing Order 75C. The government controls the political life of the people of Canada at all levels, from birth to death. But this very government does not control one cent of our bank system, but is the valet of the system.

Mr. Speaker, I raise here a fundamental issue and none of the opposite members can give any evidence that I am wrong. This question is very clear and one has only to listen to the President of the Royal Bank to know it.

● (1720)

This afternoon I read his latest speech, in which he attacks the government anti-inflation policy. This is to save the face because there is no section in the act dealing with this subject. It will also be noticed that in the anti-inflation this government is controlling workers. It also controls prices in some way, it is confronting everybody and downgrading collective bargaining. But this same government flatly refuses to control interest rates. Abuses are tolerated. They let the banks create money, they let them create in a systematic way 16 times their volume, if I am not mistaken. That is a minimum figure, 16 times their volume.

Banks are allowed to set interest rates. People are forced to pay back principal, interest, plus interest on the principal money that does not exist. Mr. Speaker, a certain type of business or "racket" is allowed between those banks. They are allowed to buy bonds and control our municipalities and even the federal government, but interest rates are allowed to go up. Who foots the bill, as always? The Canadian citizen, the low-wage earner. What then is a new bank doing in that picture? Absolutely nothing more, except maybe some supposedly increased competition. But everyone knows that there is no competition in the banking system. There may be different corporate names, but basically it is the same group of people, it is a family compact, it is a monopoly.

When one bank increases its prime rate, the others do the same. When one increases interest rates on deposits, the others follow suit. When one bank tightens the money, the others follow suit. This is simply a monopoly, protected by the Liberals, encouraged by the Liberals. When I think, Mr. Speaker, that these same Liberals would now allow a finance company considered by every Canadian as a loan shark, when I think they want to allow that company to

Continental Bank of Canada

become a bank, I see the light. This is disappointing. At any rate, a great number of people are shown that banking is much more profitable, and gives a much better yield than any investment that could be made by a finance company. Mr. Speaker, many things have been written about the banking system. I have studied and read the latest works published on the occasion of the last review of the banking system.

I hope to follow very closely the review for 1977. Mr. Speaker, we shall see that once again the Liberals will be there, not to promote the review of the banking system, but to protect the banks and ensure that this review will be in their favour. Mr. Speaker, as concerns the proposals of Bill S-30, I have nothing against IAC, I have nothing against its wish to become the Continental Bank; it can do what it wants. We live in a democracy, at least the opposition thinks so, Mr. Speaker; we live in a free competition system. I am not opposed to the idea that this company have the same public recognition as the Royal Bank of Canada, the Bank of Montreal, the Canadian National Bank and any other bank; I am not opposed to that, but I want the government to understand that we are not going to swallow this as easily as it hopes.

A company cannot become a Canadian bank simply through a small bill like Bill S-30, because we are supposed to know nothing about the banking system, because this is only normal and good for competition. Too many things and too many factors are involved in such proposal, Mr. Speaker, for us to close our eyes and do nothing.

Mr. Speaker, I believe that on behalf of Canadians, before going along with the government under the pretext of helping competition, we must see the situation like it is. This government is very good at making us swallow or believe certain things. For instance, when a parliamentary delegation makes a trip, the Liberals glorify themselves throughout Canada by saying: For our part, we live in a democracy. They use the Progressive Conservatives, the New Democrats and the Social Crediters to show that the Canadian Parliament is a great democracy. But when we are back in Parliament, they invoke Standing Order 75C and blame us for wanting to work. Mr. Speaker, this shows how much this system is hypocritical.

Let us truly go to the bottom of things and before issuing a permit, a piece of paper, in return for some favours for the Liberal party I suppose, Mr. Speaker, let us serve the interests of Canadians, let us go to the bottom of things and let us protect Canadians through the banking system. In other words, let the government regain control over the issue of money and credit in Canada.

Mr. Speaker, I am well aware that these are all honest people and very nice guys, but the most powerful cartel in Canada is the banking system, the banking monopoly, and as Canadians we cannot agree to increasing this cartel. We do not believe that competition will be increased through Bill S-30. The monopoly of money on human lives, human beings is allowed to grow. Mr. Speaker, on the eve of the decennial bank review it is, to my mind, premature to pass Bill S-30, all the more so because it does not comply with the chartered banks act and the Bank of Canada Act, and because Parliament is being asked to pass, in addition, the sixteen exceptions to the Bank Act it includes. Mr. Speaker, let us leave well alone, for the time being. Let us hope